



Contra  
Costa  
County

To: Board of Supervisors  
From: LEGISLATION COMMITTEE  
Date: March 1, 2016

Subject: Support Position on AB 1665 (Bonilla): Transactions and use taxes: Counties of Alameda & Contra Costa, and Contra Costa Transportation Authority

**RECOMMENDATION(S):**

ADOPT a "Support" position on AB 1665 (Bonilla), *Transactions and use taxes: County of Alameda, County of Contra Costa, and Contra Costa Transportation Authority*, an act to amend Sections 7291 and 7292 of the Revenue and Taxation Code to shift the authority from the County to the Contra Costa Transportation Authority ("CCTA") to place a special tax measure on the ballot for the purpose of asking the County's voters to approve a transactions and use tax for the support of countywide transportation programs, as recommended by the Legislation Committee.

**FISCAL IMPACT:**

None.

**BACKGROUND:**

The Legislature has limited the maximum combined rate of sales, transactions and use taxes that can be imposed in California at 9.5% (the "cap"). The local portion of this combined rate is capped at 2%. In certain circumstances, special legislation has been enacted to allow a city or county to exceed the statutory cap. Revenue and Taxation Code section 7291, as amended in 2013 by AB 210, gave Alameda and Contra Costa Counties each the ability to

☒ APPROVE

☐ OTHER

☐ RECOMMENDATION OF CNTY ADMINISTRATOR

☒ RECOMMENDATION OF BOARD COMMITTEE

Action of Board On: **03/01/2016** ☒ APPROVED AS RECOMMENDED ☐ OTHER

Clerks Notes:

**VOTE OF SUPERVISORS**

AYE: John Gioia, District I Supervisor  
Candace Andersen, District II Supervisor  
Mary N. Piepho, District III Supervisor  
Karen Mitchoff, District IV Supervisor  
Federal D. Glover, District V Supervisor

I hereby certify that this is a true and correct copy of an action taken and entered on the minutes of the Board of Supervisors on the date shown.

ATTESTED: March 1, 2016

David Twa, County Administrator and Clerk of the Board of Supervisors

By: Stephanie L. Mello, Deputy

Contact: L. DeLaney,  
925-335-1097

impose a new, one-half cent (0.5%) transaction and use tax “for support of countywide transportation programs,” above the State’s maximum sales and use tax rate of 9.5%. A ballot measure proposed under this statute requires two-thirds voter approval. The authority to impose this tax expires if the voters have not approved the new tax by December 31, 2020. Using this authority, in 2014 Alameda voters approved a measure called Measure BB, which proposed a 30-year transportation sales tax measures to the voters of that county. The measure passed by 70.76% vote.

## BACKGROUND: (CONT'D)

>

According to the bill analyses for AB 210 (*see Attachment A*), the Contra Costa “countywide transportation program” referenced in the statute was CCTA’s Countywide Comprehensive Transportation Plan (See, e.g., May 8, 2013, Assembly Floor Analysis). CCTA is considering submitting a transportation tax measure to the Contra Costa County voters in November 2016. To that end, CCTA has proposed a revision to Revenue and Taxation Code section 7291 to transfer the authority from the County to CCTA to propose the special tax. This would be accomplished by AB 1665 (*see Attachment B*). The rationale is that CCTA oversees this County’s “countywide transportation program” and CCTA will have the responsibility to administer the tax proceeds.

At the February 4, 2016 meeting of the CCTA’s Administration and Projects Committee, a position of support was taken on AB 1665 (Bonilla) and Committee members expressed a strong desire that the County would also support the bill.

As a CCTA member agency, the County has a substantial role in CCTA’s current effort to develop a Transportation Expenditure Plan and sales tax planned for November 2016 regardless of the statutory changes proposed in the subject bill. Per the Local Transportation Authority and Improvement Act (Public Utilities Code, § 180206(a)): *A county transportation expenditure plan shall not be adopted until it has received the approval of the board of supervisors and of the city councils representing both a majority of the cities in the county and a majority of the population residing in the incorporated areas of the county.*

Currently, Sections 7291 and 7292 of the Revenue and Taxation Code are the only authority the County has to exceed the sales tax cap.

On February 8, 2016 the Legislation Committee met, considered the needs of both the County and CCTA relative to the bill, and determined that a position of support was appropriate for recommendation to the Board of Supervisors for AB 1665.

## CONSEQUENCE OF NEGATIVE ACTION:

Because this bill refers to a “countywide transportation program” that serves Contra Costa County, the author may rely on the County’s legislative position for guidance. A lack of support for this bill may compromise the bill’s chances and, in CCTA’s view, could negatively impact the success of a future ballot measure. If AB 1665 is not passed, only the County would have the authority to propose a new transactions and utility tax measure to the voters for the support of this county’s countywide transportation program. CCTA would not have the independent authority to put the tax measure on the ballot.

## ATTACHMENTS

Attachment A

